

Mitchell E. Daniels, Jr., Governor
Rebecca S. Skillman, Lt. Governor and Secretary of Agriculture and Rural Development
Andy Miller, Agriculture Director

Members
Dr. Andrew Hsu,
chair
Larry Grider
Dr. Mike Ladisch
John Land
Ronald Meeusen
Rich Slayton
Robert Wease
Ryan West
Matt Williams

<u>ISDA Staff:</u> Elisha Modisett Sarah Fritz

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INDIANA BIOBASED PRODUCTS ADVISORY COMMISSION

Indiana State Department of Agriculture 101 W. Ohio St., Ste. 1200 Indianapolis, IN 46204

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MEETING MINUTES

Meeting Date: April 4, 2008

Meeting Time: 3 pm

Meeting Place: ISDA, Conference Room A Meeting City: Indianapolis, Indiana

Meeting Number: 2

Members Present: Dr. Hsu; Ryan West; John Land; Richard Slayton; Ron Meeusen

Members Absent: Larry Grider; Dr. Ladisch; Robert Wease; Matt Williams

1. Call to Order

Dr. Andrew Hsu called the meeting to order at 3:10 pm.

2. Approval of Agenda

Consent

3. Approval of Minute

Consent

4. MGA Bioproducts Conference Update

Elisha Modisett, staff from ISDA, attended the Midwest Governor's Association Bioproducts Conference in March at Iowa State University. Presenters from USDA were there and gave a summary of the BioPreferredTM Program that has been put together as required in the 2002 Farm Bill. The program has put together a website that serves as a resource for producers of biobased products, federal agencies required to purchase them, and others interested in renewable products. It includes information on submitting products for designation, instructions on meeting requirements to purchase biobased materials, and many other useful topics.¹

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www.biopreferred.gov



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The website also contains a catalogue of bioproducts that have been approved by USDA. Each product within a category was evaluated against its non-biobased counterpart for cost effectiveness, accessibility, and performance. In addition to these primary concerns, the USDA also considers the following questions:

- What is the interest level in various items?
- How many companies produce biobased products within the different categories?
- What level of difficulty is expected in designating specific items?
- What is the federal demand for various products?
- How are federal procurement professionals made aware of biobased products?
- How will demand for biobased products impact the demand for biobased feedstocks?
- How does manufacturing within this item affect rural economic development?

As new items are identified and new information is collected from manufacturers, the designation matrix used to evaluate items will be modified. The first round of items has been approved. There are five more rounds of items currently being approved. There was also a handout given to members that contained a list of bioproducts companies currently in Indiana that was put together by USDA.

Members were also given handouts of the Indiana Department of Administration's vendor handbook on procurement procedure along with how the preference system in state government works. Preferences are currently given to: Indiana businesses; recycled products; soybean oil based ink; biodiesel; and food and beverages containing high levels of calcium.

5. Commission Discussion

Mr. Meeusen noted that the Commission should focus on both Indiana government buying products as well as getting the federal government to purchase a majority of bioproducts from Indiana companies. The members should think about possibility of creating a program to identifying Indiana bioproducts companies that can sell to USDA. Dr. Hsu said that OEDD does the same thing to get Indiana companies to apply for defense dollars. He agrees that a matrix should be created to compare success, such as money spent here verses increased sales. Mr. Meeusen pointed out that there needs to be some way to let Indiana bioproducts businesses know about how and where to sell their products.

Regarding the development of bioproducts companies in Indiana, Dr. Hsu mentioned the help of IEDC and their 21st Century Fund as possible sources. Mr. Land thinks that perhaps Senator Lugar's office and other congressional offices can help too. Dr. Hsu also added the Indiana Soybean Alliance as another partner.



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Mr. Slayton added that the Commission should work on getting classified forests in the state to give Indiana an upper hand. Wisconsin is currently the only state ahead of Indiana right now. Forests should get certified as FSC because chain of custody of the hardwoods is the biggest hurdle. DNR is looking into this right now. Mr. Meeusen suggested that Jack Seifert, director of forestry at DNR, could present to the Commission.

Dr. Hsu asked if the Commission should expand USDA's bioproducts list to include more timber products since it is a prevalent industry in Indiana. Mr. Meeusen added that the recommendations should not force the market though. Agencies will buy the products that they need; the Commission just needs to make sure that bioproducts are a viable option. USDA's list will continue to expand, but Indiana should focus on making sure that the state becomes a leader.

Dr. Hsu asked if the Commission should focus on how to educate companies on how to become USDA certified? USDA does provide this service. Mr. Meeusen wants to get more of the members together and then decide on what the bigger picture is and work from there on details of how the ideas should be implemented. He suggested four areas for the Commission to focus on: (1) need mechanisms on how to identify Indiana bioproducts companies; (2) need mechanisms to get the companies USDA biopreferred certified; (3) need mechanisms on getting the State of Indiana to prefer purchasing bioproducts; (4) need mechanism to measure any progress that is made. Dr. Hsu would also like to recommend universities do more research and development but fears lack of funding from the state. Mr. Meeusen also mentioned the possibility of prioritizing key industries that have better chances of prospering.

6. Next Steps

Dr. Hsu will take on assignment of asking venture capital companies of what they would like to see. Mr. Meeusen will take on assignment of creating a discussion sheet of these high level concepts to facilitate discussion amongst Commission members. He will also call Bob White with USDA's Indiana field office to ask about possible funding opportunities. Mr. West extended an invitation to the members to attend the Indiana Soybean Alliance's Student Soybean Product Innovation Contest on April 15. It is a competition of college students to find new products from soybeans. He also mentioned that the United Soybean Board hold patents to many of the products on USDA's list.

7. Next Meeting

Next meeting will be April 25 at 3:00 pm at ISDA offices. The meetings will be every two weeks from then on until the expiration of the commission July 1, 2008.

8. Adjournment

Dr. Hsu adjourned the meeting at 4:30 pm.